



S.B. McLaughlin Associates Limited



Annual Report 1975



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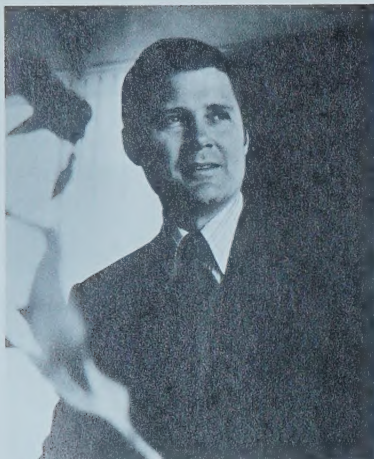
Département des communications
S.B. McLaughlin et Associés Ltée
77 City Centre Drive
Mississauga, Ontario
L5B 1M6
(416) 270-7000



Financial Highlights

| | 1975 | 1974 |
|--|---------------|---------------|
| Total Assets | \$256,402,000 | \$226,756,000 |
| Net Earnings | 3,930,000 | 2,254,000 |
| Earnings per share | 1.35 | .78 |
| Cash Flow from operations | 9,141,000 | 5,637,000 |
| Cash Flow per share | 3.14 | 1.95 |
| Shareholders Equity | 33,228,000 | 28,947,000 |
| Number of shares outstanding at year end | 2,926,045 | 2,890,900 |

Our Cover: The Company's Mississauga City Centre development including Square One and Mississauga Valleys project in the background.



To the Shareholders

Earnings

The last half of 1974 and all of 1975 has been a difficult period for the development industry. Inflation, high interest rates, and government intervention have caused every real estate company to reassess corporate policies. Notwithstanding these difficulties, I am able to report net earnings in 1975 of \$1.35 per share, compared to 78¢ for 1974.

In 1976 we expect to see a favourable swing of the pendulum of attitudes and events which affect our corporate performance. For example, we expect to see some easing of inflation, together with a modest drop in long term interest rates which, even considering the historic differential, are currently out of line with those in the United States. So far as government intervention is concerned, we anticipate substantial federal and provincial support for housing programs. In addition, we know that the municipalities are beginning to realize the importance of fostering good commercial and industrial development in support of municipal taxation, and we expect more co-operation in the construction of affordable housing. Because of these circumstances, we expect to increase our level of activity and thereby generate increased earnings in 1976 and 1977.

Our Major Corporate Policies

Up until the middle of 1974, our Company was engaged in a period of expansion and diversification. This policy was initiated in 1972 at a time when many municipalities were resisting all forms of development. As a result, we now have substantial operations in the Toronto, Montreal, Vancouver, Ottawa, and Hamilton areas. Furthermore, we are North America's largest supplier of sphagnum peat moss, and we are about to commence a significant development at Grouse Mountain, in North Vancouver.

With this period of corporate expansion behind us, we are now concentrating our efforts on the processing of our subdivision and building plans. This will enable us to utilize our inventory of lands so as to realize their present values and at the same time increase our portfolio of income-producing properties. Since the middle of 1974, our Company has entered into a period of consolidation and realization of profits, which will continue for the next few years.

In my view, the number one problem which is plaguing our industry and the economy as a whole, is the growing tendency toward excessive government regulation. We must work within this highly regulated and inefficient structure in our efforts to produce quality products at affordable prices.

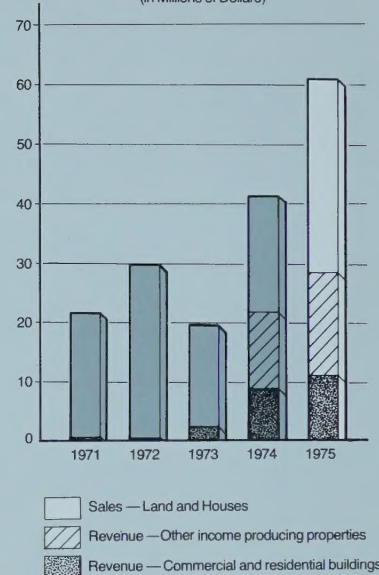
Our future will not be without problems, but we should understand that during the next half century our industry will have to more than duplicate all the development which presently exists in our country. To do this we must foster co-operation between all levels of government and the real estate industry. It is sufficient to say that we are coping with problems as they arise and moving ahead in a confident fashion.

Mississauga

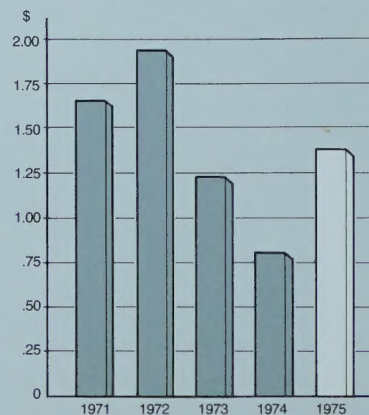
We have created planning, architectural, and economic models of the Mississauga City Centre as of the year 2000. It is in the best interest of the City of Mississauga and our corporation to expedite this quality development, which will continue to be our most important project. Recently, we commenced construction of a new 250,000 square foot "atrium" building in the City Centre, and we will strive to maintain a continuous construction program.

GROSS REVENUE

(in Millions of Dollars)



EARNINGS PER SHARE



In Central Mississauga, where we have approximately 2,200 acres of land, we hope to be able to develop a truly affordable housing unit.

The Federal government is committed to the production of 235,000 housing starts in Canada during 1976, and we are confident that this level will be achieved by the industry. Working in co-operation with the municipality and supported by the Federal and Provincial governments, we expect to bring to the market large quantities of housing which will fit within the Federal AHOP arrangements.

Montreal

We are proceeding cautiously in the City of Montreal where we have a significant downtown land assembly. The Holiday Inn, which we are building on Dorchester Street, has been subject to strikes and rapid cost increases. This has meant the re-organization of our interim financing arrangements, and the project has been progressing slowly due to these problems.

Vancouver

Our Grouse Mountain project is making good progress, and we expect it to reveal its potential during 1976. By the 1976/77 ski season, we will have in operation an additional aerial car with carrying capacity of 100 passengers to supplement the existing 50-passenger aerial tram. In addition, we have arranged a lease and a purchase of a total of approximately 128 acres in North Vancouver at the base of Grouse Mountain. It is our intention to develop approximately 400 residential units on this property, together with additional facilities for the continuing Grouse Mountain operation.

In Western Peat, we continue to be pleased with the growth of that company in the sphagnum peat moss business. We are using new technology and we are opening new markets to assure this company continued growth and earnings. Western Peat owns 7,000 acres of peat lands in the Richmond and Delta communities of Greater Vancouver. We are actively pursuing plans to expedite the extraction of peat and the redevelopment of these lands.

Capital Structure

We are approaching subordinated debenture holders of our Company with a view to modifying certain debenture restrictions. If we are successful, the Company will have more flexibility in approaching financial markets.

Summary

Our Company is in a period of consolidation. This will involve converting debt from short-term into long-term, while simultaneously making sales to increase earnings and liquidity.

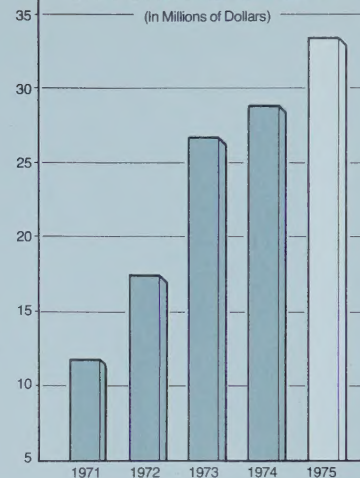
There is in our existing projects great potential, and it is our intention to expedite these developments in every possible manner.

Management and staff continue to make special efforts to accomplish our corporate objectives. Their commitment is greatly appreciated.

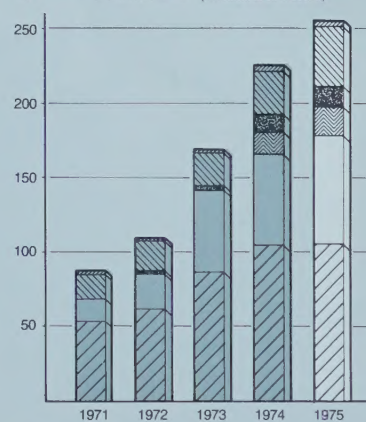








S.B. McLaughlin
President

SHAREHOLDERS' EQUITY



ASSETS (In Millions of Dollars)



-  Other assets
-  Accounts and mortgages receivable
-  Residential properties under construction
-  Other income producing properties
-  Commercial and residential buildings
-  Land held for and under development



Holiday Inn

OFFERING SPACES

CEE & Anglin Associates (London) Ltd.

200, 201

The Commercial Building Group of Companies Limited

200, 201

CEE & Anglin Associates (London) Ltd.

Five Year Review

| | 1975 | 1974 | 1973 | 1972 | 1971 |
|--|---------------|---------------|---------------|---------------|--------------|
| Total Assets | \$256,402,000 | \$226,756,000 | \$169,679,000 | \$107,610,000 | \$87,007,000 |
| Net Earnings | 3,930,000 | 2,254,000 | 3,224,000 | 4,864,000 | 3,976,000 |
| Earnings per share | 1.35 | .78 | 1.22 | 1.93 | 1.64 |
| Cash Flow from Operations | 9,141,000 | 5,637,000 | 6,861,000 | 9,589,000 | 7,661,000 |
| Cash Flow Per Share | 3.14 | 1.95 | 2.59 | 3.78 | 3.08 |
| Shareholders' Equity | 33,228,000 | 28,947,000 | 26,651,000 | 17,574,000 | 11,544,000 |
| Number of Shares Outstanding at Year End | 2,926,045 | 2,890,900 | 2,887,775 | 2,558,693 | 2,488,000 |

Auditors' Report

The Shareholders,
S.B. McLaughlin Associates Limited.

We have examined the consolidated balance sheet of S.B. McLaughlin Associates Limited and subsidiary companies as at December 31, 1975 and the statements of consolidated earnings and retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Mississauga, Ontario,
March 9, 1976.

Tanche Ross, C.A.

Chartered Accountants

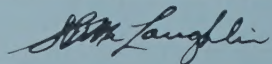
S.B. McLaughlin Associates Limited and Subsidiary Companies

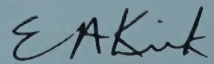
Balance Sheet

December 31

| | Note | 1975 (\$000's) | 1974 (\$000's) |
|---|------|-------------------|-------------------|
| Assets | | | |
| Income properties | | | |
| Commercial and residential buildings | 3 | \$ 72,373 | \$ 63,138 |
| Other income producing properties | 3 | 17,392 | 14,611 |
| Land | | | |
| Under development | | 9,692 | 13,119 |
| Held for development | | 96,336 | 90,487 |
| Residential properties under construction | | 14,352 | 11,590 |
| Accounts and mortgages receivable | 5 | 40,389 | 28,394 |
| Other assets | 6 | 5,868 | 5,417 |
| | | <u>\$256,402</u> | <u>\$226,756</u> |
| Liabilities | | | |
| Mortgages payable and other term loans | 7 | \$134,298 | \$121,394 |
| Funded debt | 8 | 22,866 | 17,800 |
| Bank indebtedness | 9 | 27,714 | 23,253 |
| Accounts payable and accrued charges | | 13,445 | 11,764 |
| Costs to complete subdivision servicing | | 1,972 | 2,231 |
| | | <u>200,295</u> | <u>176,442</u> |
| Minority interest in subsidiaries | 10 | 2,713 | 4,403 |
| Deferred income taxes | | 20,166 | 16,964 |
| Shareholders' equity | | | |
| Capital stock | | | |
| Authorized — 5,000,000 common shares without par value | | | |
| Issued — 2,926,045 common shares (1974 — 2,890,900) | 11 | 12,985 | 12,634 |
| Retained earnings | | 20,243 | 16,313 |
| | | <u>33,228</u> | <u>28,947</u> |
| | | <u>\$256,402</u> | <u>\$226,756</u> |

On behalf of the Board

 , Director

 , Director

S.B. McLaughlin Associates Limited and Subsidiary Companies

Statement of Earnings and Retained Earnings

For the Year ended December 31

| | <u>Note</u> | <u>1975</u> (\$'000's) | <u>1974</u> (\$'000's) |
|--|-------------|---------------------------|---------------------------|
| Income | | | |
| Sales — land and houses | 4 | \$31,182 | \$18,666 |
| Revenue | | | |
| Commercial and residential buildings | | 10,081 | 8,482 |
| Other income producing operations | | 17,597 | 12,973 |
| Interest | | 2,231 | 1,588 |
| | | <u>61,091</u> | <u>41,709</u> |
| Expenses | | | |
| Cost of sales — land and houses | 14 | 23,635 | 13,555 |
| Operating costs | | | |
| Commercial and residential buildings | | 8,923 | 7,734 |
| Other income producing operations | | 15,807 | 11,758 |
| Interest | | 1,552 | 1,443 |
| Administrative and general | | 1,640 | 1,261 |
| Depreciation | | 1,603 | 1,139 |
| | | <u>53,160</u> | <u>36,890</u> |
| Earnings from operations | | 7,931 | 4,819 |
| Income taxes | | 3,972 | 2,153 |
| Net earnings | | <u>3,959</u> | <u>2,666</u> |
| Minority interest | 10 | 29 | 412 |
| Net earnings after minority interest* | | 3,930 | 2,254 |
| Retained earnings — beginning of year | | 16,313 | 14,059 |
| Retained earnings — end of year | | <u>\$20,243</u> | <u>\$16,313</u> |
| *Net earnings per share | 14 | <u>\$1.35</u> | <u>\$0.78</u> |
| *Fully diluted earnings per share | 14 | <u>\$1.28</u> | <u>\$0.77</u> |

S.B. McLaughlin Associates Limited and Subsidiary Companies

Statement of Changes in Financial Position

For the Year ended December 31

| | Note | 1975 (\$'000's) | 1974 (\$'000's) |
|--|------|--------------------|--------------------|
| Source | | | |
| Cash flow from operations* | | \$ 9,141 | \$ 5,637 |
| On issue of shares | 11 | 351 | 42 |
| Term borrowings | | 17,970 | 32,124 |
| Increase in: | | | |
| Bank indebtedness | | 4,461 | 11,656 |
| Accounts payable | | 1,681 | (518) |
| | | <u>\$33,604</u> | <u>\$48,941</u> |
| Use | | | |
| Increase in: | | | |
| Investment in income properties, land and residential properties under construction | | \$18,734 | \$35,902 |
| Accounts and mortgages receivable | | 11,995 | 2,070 |
| Decrease in cost to complete subdivision servicing | | 259 | 1,317 |
| Minority interest acquired | 10 | 1,719 | — |
| Net assets of subsidiaries acquired | | — | 8,258 |
| Other changes in assets and liabilities | | 897 | 1,394 |
| | | <u>\$33,604</u> | <u>\$48,941</u> |
| *Cash flow from operations | | | |
| Net earnings | | \$ 3,959 | \$ 2,666 |
| Deferred income taxes | | 3,202 | 1,777 |
| Depreciation and amortization | | 1,980 | 1,194 |
| | | <u>\$ 9,141</u> | <u>\$ 5,637</u> |

December 31, 1975

a) General

The company is a member of the Canadian Institute of Public Real Estate Companies. The accounting policies followed and financial information disclosure are substantially in accordance with the recommendations of that Institute.

b) Income Properties

These are stated at cost, less accumulated depreciation. Cost includes an applicable portion of interest, real estate taxes and administrative overhead during the construction period, initial leasing costs and start-up costs (net of rental income) up to the point in time when substantial occupancy has been achieved.

c) Land Under Development and Land Held for Development

These are stated at the lower of cost and net realizable value. Cost includes an applicable portion of interest, real estate taxes and administrative costs, and is net of miscellaneous revenues from vacant land. In addition, land under development includes the total estimated cost of servicing for which the company is contractually committed under letters of credit issued to municipal authorities.

d) Income Recognition

i) Land Sales

Sales, including sales of partial interests in land, are recorded when the company has fulfilled all conditions required of it to consummate the sale.

ii) Housing Sales

Detached and semi-detached units — sales are recorded when title passes to purchaser.

Condominium units — sales are recorded at the date of first closing, when the purchaser is entitled to possession, has undertaken to assume the mortgage, and has deposited the balance of the purchase price in escrow.

iii) Commercial and Residential Buildings

Revenue is treated as operating income from the date when substantial occupancy has been achieved.

iv) Other Income Producing Properties

Revenue is recognized as follows:

Peat operations — at date of shipment

Recreational activities — at time of performance of service.

e) Depreciation and amortization is provided on the basis of:

i) Income Properties

a) Sinking fund at 5% over the following periods:

Shopping centre properties30 years

Other commercial and residential properties40 years

b) Straight-line basis at varying rates in respect of other income producing properties.

ii) Financing Costs

Straight-line basis over the term of the related financing (or earlier redemption).

The financial statements include:

i) The accounts of the company and of all its subsidiaries.

ii) The company's proportionate share of the assets, liabilities, revenue and expenses of incorporated and unincorporated joint ventures.

All subsidiaries acquired have been treated as purchases, and assets and liabilities have been included on the basis of assigned values at acquisition date. Accordingly, in respect of the subsidiary not wholly-owned, the resulting minority interest includes a proportion of the assigned values.

| | Commercial & Residential Buildings | Other Income Producing Properties | 1975 Total | 1974 Total |
|--|--|---|-----------------|-----------------|
| | (\$000's) | (\$000's) | (\$000's) | (\$000's) |
| Building & equipment | \$50,890 | \$ 15,042 | \$65,932 | \$64,824 |
| Less accumulated depreciation | <u>1,217</u> | <u>1,462</u> | <u>2,679</u> | <u>1,144</u> |
| | 49,673 | 13,580 | 63,253 | 63,680 |
| Construction in progress | <u>1,868</u> | <u>1,113</u> | <u>2,981</u> | <u>2,739</u> |
| | <u>20,832</u> | <u>2,699</u> | <u>23,531</u> | <u>11,330</u> |
| | <u>\$72,373</u> | <u>\$17,392</u> | <u>\$89,765</u> | <u>\$77,749</u> |

The company's share of assets and liabilities of joint ventures included on a line by line basis in these financial statements is:

| | 1975 (\$000's) | 1974 (\$000's) |
|--|-------------------|-------------------|
| Land held for development | \$10,981 | \$ 8,001 |
| Land under development | 2,935 | 11,711 |
| Residential properties under construction .. | 2,005 | 5,388 |
| Accounts and mortgages receivable | 11,388 | — |
| Other | <u>590</u> | <u>1,495</u> |
| | 27,899 | 26,595 |
| Liabilities | <u>12,972</u> | <u>14,938</u> |
| Equity | <u>\$14,927</u> | <u>\$11,657</u> |

c) The company's share of gross operating revenue included in these financial statements is \$26,108,000 (1974 — \$5,458,000) of which \$25,585,000 (1974 — \$5,123,000) relates to sales of land and houses. Net earnings are \$2,030,000 (1974 — \$454,000).

Apart from current (trade) receivables, these are substantially all receivable under mortgage and land sale agreements, carrying an average interest rate of 8.62% and mature as follows:

| | (\$000's) |
|-----------------------------------|-----------------|
| 1976 | \$ 7,327 |
| 1977 | 3,819 |
| 1978 | 4,799 |
| 1979 | 11,245 |
| 1980 | 2,566 |
| 1981 and thereafter | <u>3,396</u> |
| | 33,152 |
| Current (trade) receivables | <u>7,237</u> |
| | <u>\$40,389</u> |

This includes:

| | (\$000's) |
|---|----------------|
| Peat operations inventory (at the lower of cost and net realizable value) | \$2,816 |
| Unamortized financing costs | 1,118 |
| Furniture, fixtures and equipment | 624 |
| Sundry investments | 905 |
| Prepaid expenses | 152 |
| Other | <u>253</u> |
| | <u>\$5,868</u> |

These are secured on specific assets and bear an average interest rate of 10.26%. Repayment periods by relevant asset security classification are as follows:

| | (\$000's) | | | | |
|---------------------|-------------------|--|---------------------------|----------------|------------------|
| | Income Properties | Land Under Development and Residential Properties Under Construction | Land Held for Development | Other | Total |
| 1976 | \$ 4,002 | \$ 313 | \$ 8,354 | \$2,500 | \$ 15,169 |
| 1977 | 2,398 | 25 | 8,100 | 2,500 | 13,023 |
| 1978 | 745 | 1,276 | 10,624 | 3,620 | 16,265 |
| 1979 | 5,415 | 1,065 | 4,717 | — | 11,197 |
| 1980 | 871 | 1,051 | 2,327 | — | 4,249 |
| 1981 and thereafter | <u>52,954</u> | <u>15,263</u> | <u>6,178</u> | <u>—</u> | <u>74,395</u> |
| | <u>\$66,385</u> | <u>\$18,993</u> | <u>\$40,300</u> | <u>\$8,620</u> | <u>\$134,298</u> |

(\$000's)

a) 7% Convertible Subordinated Debentures (Authorized \$3,885,500) due January 15, 1989. Redeemable at company's option at premium of 4.6% on or before January 14, 1976 decreasing to par in 1988. Convertible into common shares prior to January 15, 1979 (50 shares per \$1,000 principal). Subject to annual sinking fund requirement commencing January 15, 1980.

\$ 3,800

b) 9½% First Mortgage Sinking Fund Bonds (Authorized \$6,000,000) due April 1, 1990, secured by a first fixed and specific mortgage on certain lands and a first floating charge on the undertaking and other assets of the company. Redeemable April 1, 1990 or earlier at the option of the company at a premium of 5.2% to April 1, 1976 decreasing to par 1989. Subject to annual sinking fund requirement commencing April 1, 1976 which will require payments of \$54,000 in 1976 and annually thereafter.

1,066

c) 8½% Secured Debentures (Authorized \$8,000,000) due April 15, 1984, secured by a fixed and specific charge on certain assets and a floating charge on the undertaking and other assets of the company ranking

pari passu with the floating charge securing the 9½% bonds. Redeemable on April 15, 1978 on election by holder after April 14, 1977 and before October 15, 1977 and thereafter at the option of the company at a premium of 8½% to April 15, 1979 decreasing to par in 1984 subject to annual sinking fund requirements commencing April 15, 1979 which will require payments of \$600,000 in 1979 and annually thereafter.

8,000

d) 11¾% Secured Debentures (Authorized \$10,000,000) due December 15, 1985, secured by a fixed and specific mortgage on certain lands and a floating charge on the undertaking and other assets of the company. Redeemable on January 15, 1981 (on election by holder after January 15, 1980 and before July 15, 1980) and thereafter at the option of the company at a premium of 3.95% to December 14, 1981 decreasing to par at December 15, 1983. Subject to a commitment by the company to acquire for redemption, in the market or by tender at prices not exceeding 99.5%, annual amounts of \$400,000 par value up to December 15, 1979 and annually thereafter 4% of the principal amount outstanding at January 15, 1981.

10,000
\$22,866

Bank loans are secured by fixed charges on certain assets of the company and by assignment of accounts and mortgages receivable and inventories.

This represents the interest of minority shareholders of Grouse Mountain Resorts Limited, the minority interest of Red Wing Peat Corporation having been acquired for cash during the year.

a) During 1975, 35,145 shares were issued at \$10.00 per share on exercise of warrants.

b) Unissued shares have been reserved at December 31, 1975 for:

| | <u>Shares</u> |
|---|----------------|
| i) Conversion of 7% Debentures | 190,025 |
| ii) Stock options to officers and employees | <u>150,000</u> |
| | <u>340,025</u> |

Stock options outstanding at December 31, 1975 are as follows:

| <u>Expiry Date</u> | <u>Exercise Price Per Share</u> | <u>No. of Shares</u> |
|--------------------|-------------------------------------|--------------------------|
| 1977 | \$10.00 | 15,000 |
| 1979 | 10.00 | 89,500 |
| 1980 | 10.00 | <u>25,000</u> |
| | | <u>129,500</u> |

c) Dividend Restrictions

The trust deeds securing the funded debt impose certain restrictions on payment of dividends to shareholders. The most restrictive of these is that no dividends may be paid while any of the 7% convertible debentures are outstanding.

Estimated costs to be incurred to complete income property construction in progress at December 31, 1975 amounted to \$30,000,000. Financing has been arranged to cover substantially all of these costs.

The company is contingently liable for its associates' share of obligations in unincorporated joint ventures amounting to approximately \$3,910,000 at December 31, 1975. In each case, the associates' share of the assets is available and is adequate to meet such obligations.

a) Earnings per share have been calculated based on the average number of shares outstanding during the year. Diluted earnings per share have been calculated on the basis that all options and convertible privileges existing at the end of the year had been exercised at the beginning of the year, or when granted in the case of options granted during the year, and that funds made available were utilized to liquidate indebtedness carrying interest at 12%.

b)i) Interest costs have been allocated as follows: (\$000's)

| | <u>1975</u> | <u>1974</u> |
|--|-----------------|-----------------|
| Land | \$ 6,228 | \$ 6,301 |
| Income and residential properties under construction | <u>2,052</u> | <u>1,802</u> |
| | <u>8,280</u> | <u>8,103</u> |
| Cost of sales | 2,571 | 1,191 |
| Income property operating costs | 5,813 | 4,669 |
| General interest expense | <u>1,552</u> | <u>1,443</u> |
| Expensed during the year | <u>9,936</u> | <u>7,303</u> |
| Total interest costs | <u>\$18,216</u> | <u>\$15,406</u> |

ii) During the year \$2,144,000 (1974 - \$1,815,000) has been allocated to land and construction in progress in respect of real estate taxes and administrative costs.

c) Remuneration paid during the year to senior officers of the company amounted to \$561,000 (1974 - \$453,000) and to Directors of the company \$10,000 (1974 - Nil).

d) The company is subject to the Federal Government's Anti-Inflation Legislation which became effective October 14, 1975. This Legislation regulates changes in prices, profits, compensation and dividends. Although rules applicable to land transactions have not yet been issued, management is of the opinion, based on the intent of the legislation, that the company has no significant liabilities resulting therefrom.



Operations Review



Ontario Operations

A comprehensive study by several consultants to establish a new Official Plan for the City of Mississauga was completed during 1975, and further evaluation of the core area by a municipally appointed Task Force has recognized the Square One site as the focal point of the downtown core.

A building permit has been issued for 33 City Centre Drive, which represents the first phase of the conceptual plan presented last year for the core area in Mississauga. Construction of this newest office complex for City Centre, a six-storey, 250,000 sq. ft. building has commenced. The complex features a design embodying three office blocks which are connected by pedestrian bridges. All are exposed to an 11,000 sq. ft. interior atrium with a glass roof. The leasing program for the building is under way and construction is expected to be complete for occupancy by spring, 1977.

Draft plan approval involving 143 acres of property on the first phase of the "Meadows" Community, was received in June 1975. At present, we are completing all conditions necessary for the final processing of plans.

A re-zoning application for the West Meadows community covering an additional 143 acres was submitted to the City of Mississauga on January 21st, 1976.

Development plans for a 5 acre, 60,000 sq. ft. neighbourhood shopping centre to be located in the "Valleys" are underway. The centre will incorporate a 35,000 sq. ft. food store by a major chain. The project is at the stage of site plan approval.

The open atrium interior of Mississauga City Centre's newest addition, 33 City Centre Drive.

Our Square One shopping centre complex in Mississauga City Centre continued to generate increases in every area in 1975. An estimated 10,400,000 people visited the centre during the year. At present, all stores are leased, and additional tenant space is being planned. Construction of improved bus terminal facilities will commence in the spring of 1976, consistent with the growth of office and retail activity in City Centre. Mississauga Transit figures for 1975 indicate that in excess of one million persons who travelled the system during the year, used Square One as their final destination point.

One of the most popular additions to Square One this year was a Friday Night Farmers' Market during summer and fall months, offering produce by many local growers. This facility will be expanded in 1976. Also, over 60 special events are planned for the current year, ranging from community happenings, to boat and car shows, sidewalk sales, fashion shows, antique shows, musical concerts, etc. Square One consistently leads its competition in providing exciting mall promotions, a major reason for its overall popularity.



Shoppers enjoy Square One's expansive, open concept.



Last year it was reported that we had presented comprehensive plans for our Caledon Mountain Recreational Properties development to the Municipal Council of Caledon and the Niagara Escarpment Commission. Continuing efforts are being made with all government authorities to obtain approvals in order to permit further development of the 3,000 acre project.

The Ontario Municipal Board has approved a residential development encompassing 2,700 units on a 40 acre lake front property adjacent to the Humber River in Etobicoke. At present, this property is held under option. Before proceeding, we are awaiting a final decision by the Provincial Cabinet dealing with an appeal by the Borough of Etobicoke to the OMB's decision.

We have obtained draft plan approval on a 175 acre residential subdivision called Knollsbrook in Ottawa. The project will incorporate 1,200 single, semi-detached and town house units, and registration of the entire site is imminent. We are presently marketing lots to individual builders. Approximately 450 single family lots in phases two and three of our Carrefour development have been sold.

Downtown Development

The construction of the downtown Holiday Inn in Montreal continued to suffer delays as strikes and labour problems carried from 1974 into the current year. However in the latter part of 1975 we were able to increase the construction pace as delays were minimized and are now at the 18th floor level. We expect to top off the project in October 1976, with completion scheduled for 1977.

Despite increased construction costs, this hotel should represent a significant addition to our income property portfolio.

The following table shows the amount of land held for development at December 31, 1975:

| <u>Location</u> | <u>Approximate Acreage</u> |
|-----------------------------------|----------------------------|
| Owned by the Company (1) | |
| Mississauga | 2,985 |
| Caledon | 2,931 |
| Halton Hills | 1,047 |
| Oakville | 381 |
| Other Southern Ontario Locations | 153 |
| Montreal (downtown) | 4 |
| Other Quebec Locations | 2,671 |
| Michigan — Southfield | 50 |
| | <u>10,222</u> |
| Joint Venture Holdings (2) | |
| Mississauga | 160 |
| Other Southern Ontario Locations | 45 |
| Ottawa/Hull | <u>649</u> |
| | <u>854</u> |
| Total | <u><u>11,076</u></u> |

(1) Acreages indicated are gross acres and are subject to deduction for amounts deeded or to be deeded for public purposes during the course of development. This excludes acreage owned by Western Peat Moss Ltd., Atlantic Peat Moss Co. Ltd. and Grouse Mountain Resorts Ltd

(2) Shows the Company's proportionate share of land held in joint venture holdings.

Directors

*F.H. Falkiner, **E.A. Kirk, *S.B. McLaughlin, R.E. Winter, †S.F. Chapman, J.G. Davies, M. Stearns, M.B.E., ††J.M. Tory, Q.C.

*(Executive Committee) *(Audit Committee)

Officers

J. Cottom, C.A., A.C.M.A., Treasurer
 F.H. Falkiner, Vice-President and Asst.-Secretary
 P.R. Gareau, B.Comm., Vice-President
 E.A. Kirk, C.A., Vice-President, Finance
 F.W. MacDonald, Q.C., Secretary
 S.B. McLaughlin, B.A., LL.B., President
 R.E. Winter, B.A.Sc, P.Eng., Vice-President

Corporate Directory

| | |
|---------------------------|--|
| Head Office | 77 City Centre Drive Mississauga, Ontario L5B 1M6 President, S.B. McLaughlin Associates Limited |
| S.B. McLaughlin | |
| Ontario Region | 77 City Centre Drive Mississauga, Ontario L5B 1M6 Vice-President, S.B. McLaughlin Associates Limited |
| P.R. Gareau | |
| Quebec Region | 1170 Drummond Street Montreal, Quebec H3G 1V7 President, S.B. McLaughlin Associates (Quebec) Ltd. |
| D. Pemberton-Smith | |
| Western Region | |
| Peat Operations | 805 West Broadway Vancouver, B.C. V5Z 1K1 President, Western Peat Moss Ltd. |
| J.W. Dunfield | |
| Ski Operations | P.O. Box 11103, Royal Centre Suite 2630, 1055 West Georgia Street Vancouver, B.C. V6E 3P3 President, Grouse Mountain Resorts Ltd. |
| J.E. Hoegg | |
| U.S. Operations | Travelers' Tower, Suite 300 26555 Evergreen Road Southfield, Michigan 48076 Vice-President, S.B. McLaughlin Associates Inc. |
| B.L. Turner | |

Transfer Agents and Registrars

Canada Permanent Trust Company
 The Canada Trust Company
 Montreal Trust Company
 National Trust Company, Limited

Auditors: Touche Ross & Co.

Listing: The Toronto Stock Exchange

Head Office

77 City Centre Drive
 Mississauga, Ontario
 L5B 1M6
 Phone: (416) 270-7000

During 1975, we acquired all minority interests in the former U.S. parent company, Red Wing Peat Corporation. All operations are now completely integrated into Western Peat Moss Ltd., in Vancouver, and the U.S. company has been liquidated.

Also, in 1975 the company initiated the major renovation and expansion of the Delta, B.C. operation, the completion of a concentrated peat pilot plant in New Brunswick, and the continued upgrading of the other production facilities at Manitoba and New Brunswick. All of these efforts are aimed at improving productivity and stabilizing supply. During 1976, the company is directing intensified sales efforts into two market areas as being those that present the greatest potential for increased sales volume and improving our already dominant position in the market place. (a) The Canadian and U.S.A. institutional market, and (b) The off-shore market with the new concentrated peat.

The off-shore concentrated peat program is in the pioneering stage. We have shipped trial container loads to New Zealand, Australia, and Japan. Market testing and consumer follow-up is being carried out.

The most notable activity initiated on Grouse Mountain during the 1975 summer season was the commencement of construction for the new 100 passenger aerial tramway. A concentrated effort is being directed to maintain the construction program throughout the critical winter months to assure completion of the new facility by the Fall of 1976 in time for utilization during the 1976-77 ski season.

Also, of considerable significance to the long term future of Grouse Mountain Resorts has been the recent developments in the somewhat prolonged efforts by the company to initiate a major real estate development program. Negotiations with the Greater Vancouver Water District to acquire the 128 acre "triangle" property, adjacent to the sky ride lower terminal have been completed. Accordingly, on January 28th, 1976, the G.V.W.D. Board passed a resolution to sell a portion and lease the remainder of this property to Grouse Mountain for 49 years. When completed, the entire project will represent an exceptionally attractive living environment made possible by this opportunity to integrate the recreational amenities of Grouse Mountain with an adjacent residential community.



Grouse Mountain provides a breathtaking view of the city of Vancouver for skiers, and sightseers.

Waterfront project aids motel strip developer

by JERRY CROWN
Staff Writer

A resolution passed recently by the Toronto Region Conservation Authority (MTRCA) has fueled arguments supporting a proposed high-density development along the Lakeshore motel strip.

The authority's \$22-million effort improvement scheme requires public road access connecting the parkland west of the Humber River to Lakeshore Blvd.

The MTRCA said it would rather deal with one property owner than go

S. B. McLaughlin Associates is now awaiting a provincial cabinet decision on its proposal to develop apartments along the 40-acre motel strip.

Ruth Maben, chairman of the Committee to Save Etobicoke's Lakeshore, says the MTRCA's willingness to negotiate with one land developer instead of separate motel owners has strengthened McLaughlin's case before cabinet.

¹ This has been the main position of

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By
JOHN RUTHERFORD
A five-volume tape
released yesterday
(Tuesday) attacked the
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'Housing answer is limiting city power'

**Grouse gets
ok to build**

City will work DAILY COMMERCIAL IN with developer

By ROWENA MOYES

TORONTO (CNS) — Mississauga City Council tonight adopted a special resolution to work with a private developer that will bring government and private enterprise together: the goal is to develop a three-million-litre per day water treatment plant for the next 20 years.

For Holaday, Inc. Cattle Creek plant could be made a

By BARBARA LOW
Grouse Mountain Resorts Ltd. will be going ahead with its plan to develop 128 acres at the foot of the 'skyride' on Grouse Mountain.

Brick, siding and masonry are combined to produce this ex-

Du-unit Chedoke

HAMILTON SPECTATOR


Offers minimum

BY PAUL WRIGHT
Spectator Staff

Although the name Taro is fairly new in Hamilton it is fast becoming synonymous with sound, attractive and well built single-family in the Hamilton area.

Visit to Chedoke Farm where Mc-

ing-Taro have just observed another



50-unit Chedoke Farm project

HAMILTON SPECTATOR

offers minimum of look-alikes

By PAUL BRIDGES

\$.5 million study attacked McLaughlin views support

City with a DAILY COMMERCIAL NEWS with developer

By ROWENA MOYES
TORONTO (CN)—
Mississauga City Council
adopted a special resolution
Tuesday that will bring
government and private en-
terprise together: the goal is
to develop Bruce McLaughlin
for the past 20 years.

added. We are
the business
community
practising it.
that be said,
is willing to
to re-activate
The rest is a
See CITY, p. 4

GENIE CONSTRUCTION
Maquette du super Holiday Inn

77 City Centre Drive
Mississauga, Ontario
L5B 1M6
Telephone (416) 270-7000

S.B. McLaughlin Associates Limited

For Immediate Release
August 28th, 1975

For Information Contact:
R. C. Duquette (270-7000)

AR52

NEWS RELEASE

file
The half-yearly results to June 30, 1975 for S. B. McLaughlin Associates Limited, Mississauga, Ontario show gross revenue of \$22,435,000 as compared to \$20,923,000 for the same period in 1974.

Net earnings for the first six months of 1975 were \$950,000 or 32¢ per share as compared to \$1,296,000 or 45¢ per share in 1974.

S. B. McLaughlin, President, announced that during the second quarter, the company completed the acquisition of the remaining 40% equity of Red Wing Peat Corporation, making this profitable enterprise a wholly owned subsidiary.

"A change in attitudes towards development, referred to in my comments covering the March results, appears to be taking place", he added. "The company has, in the last few months, obtained a decision in its favour from the Ontario Municipal Board on our Mississauga Meadows proposal for residential development." Another project in the Ottawa area has also received draft plan approval. "We are confident that these will mark the turning point in a return to active development and provision of sorely needed housing", he concluded.

